GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:830
ANSWERED ON:21.02.2003
NORMS FOR BIG FLOATS
GADDE RAMAMOHAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the SEBI has a proposal to ease norms for big floats; and

(b) its impact on Indian bourses?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a)&(b) Under the Securities Contracts (Regulation) Rules,1957, any company desirous of listing its securities on the exchange is required to offer at least 25% of its post issue paid up capital to public or offer less than 25% of their post issue paid up capital (minimum 10%) in case all of the following conditions were fulfilled:

1. The number of securities offered should be at least 20 lac.

2. The size of the offer should be at least Rs. 100 crores and

3. The issue to be made through book building mechanism with minimum allocation of 60% of the issue size to QIBs.

SEBI has received representations from companiesand merchant bankers to review the 3rd condition mentioned above. SEBI is examining these representations.